Commercial Information Technology Market

Peter Cunningham
President
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Trends Affecting IT

- Aggregation/disaggregation
- Integration of IT and business operations
- Global competition
- Work migration
- Cost consciousness
- Legislation/regulation

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Technology

- More
- Cheaper
- Faster
- Smaller

- Impact of consumer electronics

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Technology Forecasts

- Printing 100 MIPS computer this decade
- Using 100 MIPS computers in hand-held devices
- Megabit transmission rates common and affordable

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Revolutions

- Downsizing
- Outsourcing
- Re-engineering
- Networking

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Realized Benefits Post-Downsizing
(Ranked from Survey Results)

Rank	Factor
1	Improved user responsiveness
2	Broader range of choices
3	Faster systems development
4	More effective use of IT

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IS Environment

"Old" Traditional	"New" Downsized
Mainframe	Client/server
Shared	Dedicated
Remote	Local
IS operated	User operated

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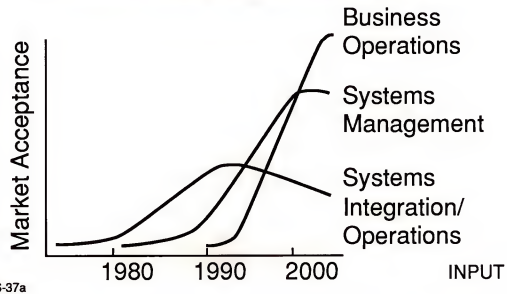
Outsourcing Market Waves



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Networking Revolution

- Technology enabled
  - Bandwidth
  - Coverage
  - Mode (Digital)
- Driven by organization need
  - Connectivity
  - Electronic commerce

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Telecommunications

- R/F Freedom
  - Portable devices
  - 'Cellular' concept
- 10 million mobile workers

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Re-engineering the Organization

- Slow
- Not driven by IS
- Must have outside agency
- Must include IT

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U.S. Health Care Trading Community

Electronic Commerce Future Trends

- Administrative costs reduced
  - Currently 24% or $160 billion
- Electronic commerce expenditures expand
  - Currently <1% of admin. costs

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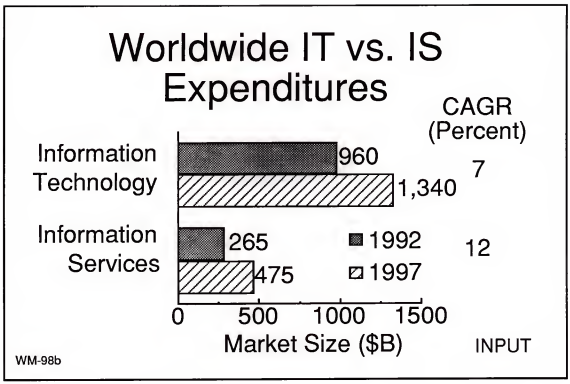

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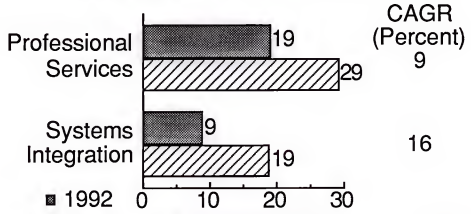
U.S. Information Services Market, 1992-1997



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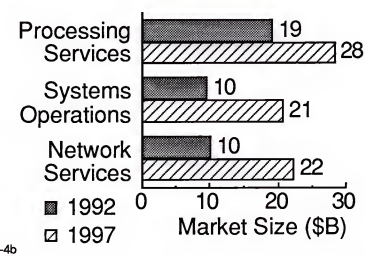
U.S. Information Services Market, 1992-1997



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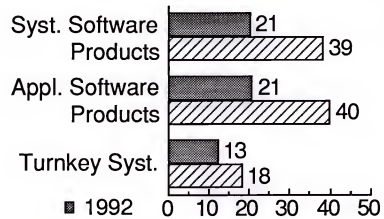
U.S. Information Services Market, 1992-1997



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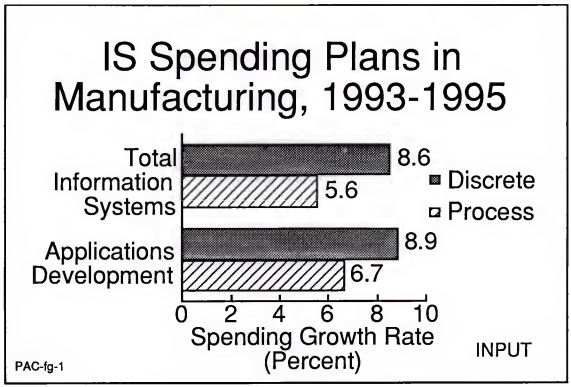

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Data from 158 discrete manufacturers and 178 process manufacturers

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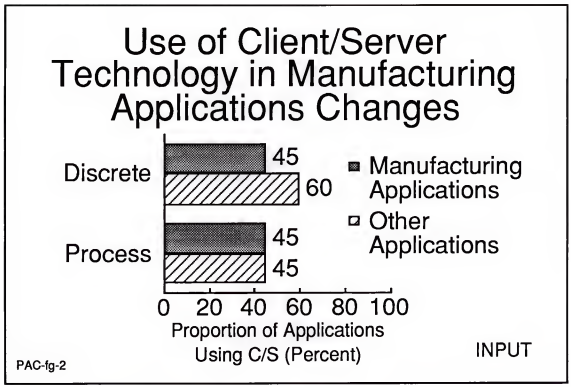

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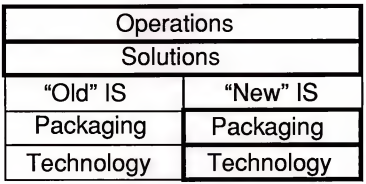
Industry Structure and IS Revolution



Successful segments

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Successful Vendors

- Knowledge-based
- Network-based
- Low cost - continual improvement
- Low price - continual improvement
- Channel independent

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New Opportunities

- Technology/software combinations
- Digital telecommunications-based services
- Consumer-driven markets

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PETER A. CUNNINGHAM
PRESIDENT

PROFILE

- Mr. Cunningham has 28 years of experience in the information technology industry, including over 20 years of P&L responsibility in consulting.
- Mr. Cunningham provides information and advice to users and vendors of information technology. He specializes in analysis and forecasting of major trends in the industry, particularly in software, services, and the impact of information technology on people and organizations.
- In 1974, Mr. Cunningham founded INPUT to provide planning services, market research and consulting to buyers and vendors of IT products and services on a worldwide basis. The company specializes in analyzing and forecasting the applications and use of IT, particularly through the information services industry. This industry is now over $250 billion per year in size and is being driven by trends in outsourcing, systems integration, and downsizing. INPUT's mission is to provide its clients the ability to benefit from these and other IT trends and opportunities.
- Previously, he was a founder and President of J.W. Goodhew and Associates, Inc., a Washington, D.C. data processing consulting company specializing in the Medicaid, association, and manufacturing industries, as well as the federal government. Prior to that, Mr. Cunningham was with Management Science America, responsible for data processing projects in government and industry.
- Mr. Cunningham came to the United States with C-E-I-R, for whom he performed systems development and management.
- Mr. Cunningham started his career with ICL in 1964 in systems software development.

EDUCATION

- B.Sc. (Physics), Associate of the Royal College of Science, Imperial College, London
- M.P.A. (Technology of Management), The American University, Washington, D.C.

MEMBERSHIPS

- Fellow of the British Computer Society
- Member of the Worshipful Company of Information Technologists (Guild of the City of London)